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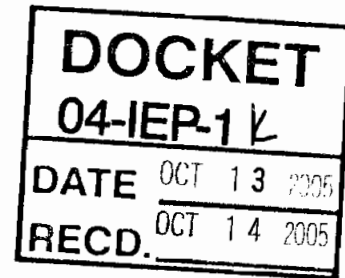
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October 13, 2005

California Energy Commission Dockets Unit  
Attn: Docket No. 04 IEP 1K  
1516 Ninth Street, MS-4  
Sacramento, CA 95814-5512

**Subject: Docket number: 04 IEP 1K Committee Draft Document Hearings**



Enclosed are Ducks Unlimited's comments regarding California's 2005 Draft Integrated Energy Policy Report.

Ducks Unlimited appreciates the California Energy Commission's (CEC) considerable effort to develop comprehensive energy policy. The current draft is very good. Our interest is to be sure that it is a sound environmental document that addresses wetlands and waterfowl habitat concerns.

Ducks Unlimited is the largest land restoration organization in North America. We have completed over 11,000 projects impacting 11 million acres in since our inception in 1937. Ducks Unlimited plans to be an aggregator of terrestrial carbon from restoration (e.g. trees, grassland, and seasonal wetlands) due to our great relationship with thousands of landowners who may want to participate in carbon sequestration programs for a payment.

The Central Valley traditionally hosted one of the largest concentrations of wintering waterfowl in the world. As recently as the 1970s, 10-12 million ducks, geese, and swans wintered in, or migrated through, California. Degradation of the Valley's riverine and wetland systems has been dramatic over the last 150 years. More than 95% of the historic seasonal wetlands and over 90% of the riparian corridors have been destroyed or grossly modified.

Last year The Wildlife Society released a report called *Global Climate Change and Wildlife in North America*. This included a case study on Waterfowl. Global climate change model projections indicated significant declines in wetlands for no change to minus 91 percent, thus declines in abundance of breeding ducks from minus 9 percent to minus 69 percent by the 2080's. National Wildlife Federation's recently published *Waterfowler's Guide to Global Warming* indicates that there could be direct impacts to California waterfowl habitat as well. For instance, inundation of low-lying areas due to sea-level rise, and changes in inland precipitation patterns and significant decline in average mountain snow pack are expected to affect the quality and quantity of water in coastal areas which provide critical habitat for resident and migrating

waterfowl in the Pacific Flyway. Ducks Unlimited has great concern about how these issues and subsequent California state policies will impact wetland and waterfowl resources.

Our comments are related to Chapter 9 – Global Climate Change in the Integrated Energy Policy Report. Ducks Unlimited supports: (1) the integration of land use offsets, including those from the forestry sector, into any mechanism developed to achieve reductions and store carbon; (2) revisions in the final IEPR to more accurately reflect the recommendations of the Industry and Agriculture Subcommittee of the California Climate Change Advisory Committee (report # 04-CCCA-1, July 22, 2005); (3) including out-of-state projects options for mitigation, such as season grassland restoration in the north central U.S. Great Plains or afforestation in the Lower Mississippi Valley.

1. **Role of land use offsets and the forestry sector** - Land use offsets from a variety of conservation and land management projects, such as those from the forestry sector, can avoid emissions, capture and store carbon, and should be fully integrated into a cap and trade system or any other program the state adopts to reduce emissions of greenhouse gases (GHG). Allowing covered sources to meet a portion of their emissions reduction targets using carbon offsets from well-designed land management and conservation projects can ultimately help achieve a lower cap by increasing flexibility, facilitating participation and implementation, and lowering the overall compliance costs. In addition, such projects have the potential to generate substantial environmental and social co-benefits including protection of water quality, wildlife habitat and biodiversity – all natural, public assets the state will need to protect from any negative effects of climate change. DU recommends that the rules on the use of offsets be structured to assure that significant emission reductions occur at the regulated entities in the state. Offset projects should also be required to meet the highest standard of environmental integrity. DU also supports the recommended mandatory California Environmental Quality Act-level analysis of climate change impacts for any conversion of forest land to non-forest use as well as the public education campaign regarding the role of forests in climate change.
2. **The California Climate Change Advisory Committee Recommendations** - Ducks Unlimited recommends that the final IEPR be revised to more accurately reflect the recommendations of California Climate Change Advisory Committee and its Industry and Agriculture Subcommittee. In particular, the following recommendations from the Advisory Committee report 04-CCCA-1, dated July 22, 2005, should be included in the final IEPR.



- Encourage the purchase of offsets that result from carbon sequestration on agriculture and forestry projects. (p. 2, report # 04-CCCA-1, July 22, 2005)
  - Include the crediting of forest-based greenhouse gas reductions in any multi-sector greenhouse gas cap and trade system that is established. (p.4, report # 04-CCCA-1, July 22, 2005)
  - Establish targets to protect and increase the state's overall forest carbon stocks and implement voluntary landowner incentives to achieve such targets. (p.4, report # 04-CCCA-1, July 22, 2005)
3. **Include out-of-state options for Greenhouse Gas mitigation projects -** Ducks Unlimited Canada and the U.S. Geological Survey North Prairie Wildlife Research Center are both conducting long term Greenhouse Gas research associated with prairie wetlands. Three years of the total five-year project has been completed, and preliminary results indicate that prairie wetlands tested in north central U.S. and south central Canada are carbon sinks with a rate of reduction ranging from 3-5 MTCO<sub>2</sub>E/acre/year. Soil organic carbon, methane, and nitrous oxide emissions are all being considered as part of this work. Since the carbon cycle is global it makes sense scientifically to add seasonal prairie wetland restoration, afforestation in the Lower Mississippi Valley, and any other verifiable terrestrial carbon sequestration project in the U.S. as an allowable carbon offset activity for industry in California.

Thank you for the opportunity to review this draft report. Please contact me if you have questions regarding our comments.

Sincerely,

Richard G. Kempka  
Director of Energy and Technology Partnerships